

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address  Leonard M. Shulman – State Bar No. 126349 Lynda T. Bui - Bar No. 201002 Elyza P. Eshaghi – Bar No. 293395 SHULMAN HODGES & BASTIAN LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: lshulman@shblp.com; lbui@shblp.com; eeshaghi@shblp.com  <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: John P. Pringle, Chapter 7 Trustee	FOR COURT USE ONLY
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<b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b>	
In re:  JOSE LUIS CARBAJAL and ELVIRA CARBAJAL,  Debtor(s).	CASE NO.: 6:14-bk-13160-SC CHAPTER: 7  <b>NOTICE OF SALE OF ESTATE PROPERTY</b> (Last Day to Submit Bids: 6/15/2016 at 5:00 p.m. Final Bidding Round/Court Hearing: 6/21/2016 at 11:00 a.m.)

<b>Sale Date:</b> 6/21/2016	<b>Time:</b> 11:00 am
<b>Location:</b> Video Hearing Courtroom 126, U.S. Bankruptcy Court, 3420 Twelfth Street, Riverside, CA 92501	

**Type of Sale:** ☒ Public ☐ Private **Last date to file objections:** 06/07/2016

**Description of property to be sold:** Real Property: 5815 Crown Drive, Jurupa Valley, CA 91752  
The property is a single family residence.

**Terms and conditions of sale:** Free and clear of certain liens pursuant to Bankruptcy Code §§ 363(b)(1) and (f)  
Purchase price of \$402,500, subject to overbids. See attached for Bid Procedures

**Proposed sale price:** \$ 402,500.00

**Overbid procedure (if any):** Potential overbidders must bid an initial amount of at least \$5,000 over the consideration offered by the Buyer, or \$407,500. Minium bid increments after that shall be \$1,000.

See attached for more information.

**If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:**

June 21, 2016 at 11:00 a.m.

Video Hearing Courtroom 126

U.S. Bankruptcy Court

3420 Twelfth Street

Riverside, CA 92501

**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

Lynda T. Bui, Esq. or Elyza P. Eshaghi , Esq.

SHULMAN HODGES & BASTIAN LLP

100 Spectrum Center Drive, Suite 600, Irvine, CA 92618

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: lbui@shbllp.com or eeshaghi@shbllp.com

Date: 05/20/2016

**In re Jose Luis Carbajal and Elvira Carbajal**  
**Case No. 6:14-bk-13160-SC**

**Attachment to Notice of Sale of Estate Property:**

**I. INTRODUCTION**

John P. Pringle, Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of Jose Luis Carbajal and Elvira Carbajal (“Debtors”), brings this *Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f) and Subject to Overbids, Combined With Notice of Bid Procedures and Request for Approval of the Bid Procedures Utilized; (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief* (“Sale Motion”).

The Trustee received an offer from Shannon Savala and Yolanda Savala (collectively “Buyer”) to purchase the real property located at 5815 Crown Drive, Jurupa Valley, California 91752 (“Jurupa Property”) for \$402,500. The Jurupa Property is a single family residence.

The Jurupa Property has been on the market for ten months (since June 2015). The Buyer’s offer is the result of negotiations between the Trustee and the Buyer for the highest and best offer. Additionally, the sale of the Jurupa Property will be subject to the Bid Procedures set forth below. The Bid Procedures provide, among other things, that bids must be in writing and be received by the Trustee and the Trustee’s counsel, Shulman Hodges & Bastian LLP to the attention of Lynda T. Bui at 100 Spectrum Center Drive, Suite 600, Irvine, CA 92618 on or before **5:00 p.m. (California time) on June 15, 2016**. If overbids are received, **the final bidding round shall be held at the hearing on the Sale Motion on June 21, 2016 at 11:00 a.m. (California Time), or if rescheduled, upon telephonic notice to the Buyer and the parties having submitted overbids**. At the final bidding round, the Trustee or his counsel will, in the exercise of his business judgment and subject to Court approval, accept the bidder who has made the highest and best offer to purchase the Jurupa Property, consistent with the Bid Procedures.

1 Through the sale, after payment of the Debtors' homestead exemption claim of  
2 \$100,000<sup>1</sup>, the Trustee is expected to generate proceeds of approximately \$75,970.52 for the  
3 benefit of the Estate and its creditors. In the event the purchase price is increased by a successful  
4 overbid, the estimated net proceeds will increase.

5 The Court's Claims Register indicates that there were seven general unsecured claims  
6 filed totaling \$15,582.32, all of which were later withdrawn.<sup>2</sup> The Debtor's Bankruptcy  
7 Schedule F indicates they have general unsecured claims exceeding \$79,000. It appears from  
8 information on the Debtors' Schedule F that the statute of limitations on much of debt has not  
9 expired and is still collectable. The Trustee through his counsel is reaching out to creditors to file  
10 claims for valid/collectable debts. The Trustee anticipates that if the sale is approved, unsecured  
11 creditors are expected to receive a meaningful distribution.

12 In summary, the Trustee believes that good cause exists to grant the Sale Motion so the  
13 Trustee does not lose this favorable business opportunity.

## 14 II. RELEVANT FACTS

### 15 A. Case Commencement

16 The Debtors filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code  
17 on March 13, 2014 ("Petition Date"). John P. Pringle is the duly appointed, qualified and acting  
18 Chapter 7 trustee for the Debtor's Estate.

### 19 B. Claims Against the Estate

20 The last day to timely file proof of claims in this case was April 13, 2015 (timely  
21 government claims were due by September 9, 2014). As of May 5, 2016, the Court's Claims  
22 Register indicates that there have been seven general unsecured claims filed totaling \$15,582.32,  
23

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24 <sup>1</sup> The Debtors will be providing Declarations in support of the sale. The Debtors have also  
25 requested that (i) their homestead exemption claim be split such that each receives fifty  
26 percent of the amount paid on account of the homestead exemption claim, and (ii) to the  
extent that there are surplus funds in the Estate payable to the Debtors, such surplus funds  
also be split so that each receives fifty percent of the amount paid.

27 <sup>2</sup> The seven proofs of claim were each withdrawn following the Court's *Order to Show*  
28 *Cause Why Midland Credit Management, Inc., and Cavalary SPV II, LLC Should Not Be*  
*Sanctioned Pursuant to Federal Rule of Bankruptcy Procedure 9011* (docket 117) which  
stated that statute of limitations for collecting the underlying debt on each of the filed  
claims had expired.

1 all of which were later withdrawn.<sup>3</sup> The Debtor's Bankruptcy Schedule F indicates they have  
2 general unsecured claims exceeding \$79,000. It appears from information on the Debtors'  
3 Schedule F that the statute of limitations on much of debt has not expired and is still collectable.  
4 The Trustee through his counsel is reaching out to creditors to file claims for valid/collectable  
5 debts. The Trustee anticipates that if the sale is approved, unsecured creditors are expected to  
6 receive a meaningful distribution.

7 **C. The Jurupa Property**

8 A true and correct copy of a preliminary title report on the Jurupa Property dated  
9 April 6, 2016 is attached as **Exhibit 1 to the Declaration of John P. Pringle ("Pringle**  
10 **Declaration") annexed to the Sale Motion.** The preliminary title report indicates the legal  
11 description for the Jurupa Property as follows:<sup>4</sup>

12 THE LAND HEREINAFTER REFERRED TO IS SITUATED IN  
13 THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE,  
14 STATE OF CA, AND IS DESCRIBED AS FOLLOWS:

15 LOT 22, TRACT 13797-1, COUNTY OF RIVERSIDE, STATE  
16 OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 139,  
17 PAGE 68, 69 AND 70 OF MISCELLANEOUS MAPS, IN THE  
18 OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

19 APN: 160-182-022-2.

20 In their Schedules, the Debtors (i) valued the Jurupa Property at \$380,000, (ii) listed two  
21 liens both in favor of "PNC Mortgage", with the first priority lien having a balance due of  
22 \$152,000, and the second priority lien having a balance due of \$85,000, and (iii) claimed an  
23 enhanced exemption (disability) in the amount of \$150,000 pursuant to C.C.P. §§ 704.710,  
24 704.720 and 704.730. True and correct copies of the Debtor's Schedules A, C and D are  
25 attached as **Exhibit 2 to the Pringle Declaration annexed to the Sale Motion.**

26 <sup>3</sup> The seven proofs of claim were each withdrawn following the Court's *Order to Show Cause Why Midland Credit Management, Inc., and Cavalary SPV II, LLC Should Not Be Sanctioned Pursuant to Federal Rule of Bankruptcy Procedure 9011* (docket 117) which stated that statute of limitations for collecting the underlying debt on each of the filed claims had expired.

27 <sup>4</sup> The legal description for the Jurupa Property is believed to be accurate but may be  
28 corrected or updated by the title company in the transfer documents as necessary to complete the proposed sale transaction.

1 In the fourth quarter of 2015, the Trustee received payoff information for the lender liens  
2 against the Jurupa Property which indicated the following:

- 3 • First priority lien payoff through November 3, 2015 of \$130,797.
- 4 • Second priority lien payoff amount through December 8, 2015 of \$61,316.64

5 The Trustee is advised that the Debtors have not been making monthly payments to the  
6 lenders on the Jurupa Property and therefore the foregoing amounts owing are now likely higher.

7 **D. The Debtors' Exemption Claim in the Jurupa Property**

8 The Trustee successfully objected to the Debtors' enhanced exemption claim in the  
9 Jurupa Property and pursuant to that certain *Order Granting Chapter 7 Trustee's Motion for*  
10 *Disallowance of Claim Exemptions* entered on March 4, 2016 (docket 111) ("Exemption Claim  
11 Order"), the Debtors' exemption claim in the Jurupa Property was allowed in the reduced  
12 amount of \$100,000.

13 The Debtors will be providing Declarations to the Trustee to be filed with the Court that  
14 gives their support for the sale. The Debtors have also requested that (i) their homestead  
15 exemption claim be split such that each receives fifty percent of the amount paid on account of  
16 the homestead exemption claim, and (ii) to the extent that there are surplus funds in the Estate  
17 payable to the Debtors, such surplus funds also be split so that each receives fifty percent of the  
18 amount paid.

19 **E. Broker Employment, Marketing Efforts and Basis for Value of the Property**

20 On June 23, 2015, the Trustee filed an *Application to Employ Jan Neiman of Neiman*  
21 *Realty as Real Estate Broker* (docket 53), as his real estate broker ("Broker") to assist in the  
22 marketing for sale of the Jurupa Property. On July 20, 2015, the Court entered an order  
23 approving the Employment Application (docket 61) ("Employment Order"). The listing  
24 agreement with the Broker provides for a real estate commission to be paid of six percent of the  
25 sale price.

26 The Jurupa Property has been on the market for ten months. The Buyer's offer is the  
27 result of negotiations between the Trustee and the Buyer for the highest and best offer.  
28

The Estate does not have the funds to obtain a formal written appraisal for the estimated value of the Jurupa Property. The Broker has more than twenty years of experience in the sale of real property as well as property valuations and is familiar with valuing real property in today's economic environment. The Broker inspected the Jurupa Property and believed that it had a fair market value that supported it be listed for sale at \$411,000.00. The listing price was determined on comparable sales of similar properties in the area.

The Trustee believes that the proposed sale, subject to overbids, will be at fair market value. Given that the sale is subject to overbids, it is anticipated that the Trustee will receive the best and highest value for the Jurupa Property and therefore the proposed sale price is fair and reasonable.

**F. Liens and Encumbrances Against the Property and Their Proposed Treatment Through the Sale**

The following chart sets forth the liens, encumbrances and other interests against the Jurupa Property as detailed in a preliminary title report attached as **Exhibit 1 to Pringle Declaration annexed to the Sale Motion**, and also describes the proposed treatment of the liens, encumbrances and other interests through the sale:

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment</u>
Riverside County Treasurer – Tax Collector	Real property taxes	Property taxes \$1,400 (estimated): <sup>5</sup>	Pro-rata outstanding real property taxes will be paid through escrow on the sale transaction.

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<sup>5</sup> Fiscal year 2015-2016, 1st and 2nd installments of \$1,379.64 each.

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment</u>
National City Mortgage Co (PNC Bank servicer for current beneficiary of the lien)	Current beneficiary of a deed of trust recorded April 27, 2004, instrument number 2004-0305576	\$136,380.11	This lien will be paid through escrow on the sale transaction in the amount approved by the lienholder.
National City Bank (PNC Bank servicer for current beneficiary of the lien)	Current beneficiary of a deed of trust recorded January 28, 2005, instrument number 2005-0083674	\$63,129.57	This lien will be paid through escrow on the sale transaction in the amount approved by the lienholder.
Department of Child Support Services (Riverside County and Orange County)	Judgment for child support under two Abstracts of Judgments:  Recorded July 2, 2004, instrument number 2004-0517218  Recorded December 16, 2015, instrument number 2015-0543533	\$0.00	The Trustee has been advised by the Department of Child Support Services that the lien recorded on December 16, 2015 (after the Petition Date) was filed in error as the agency was not aware of the Debtor's bankruptcy filing. Accordingly, the Trustee believes that the Department of Child Services will have no objection to the sale of the Jurupa Property free and clear of the two Abstracts of Judgment. The two Abstracts of Judgment will also not attach to the proceeds of the sale received by the Estate.

In summary, all costs of sale, including escrow fees and real estate commissions will be paid at closing. In addition, all outstanding pro-rata real property taxes and the two liens arising from the lenders' deeds of trust will be paid through the sale. **The encumbrance(s) arising under the Abstracts of Judgment recorded by the Department of Child Support Services will not attach to the Jurupa Property after the closing of the sale and will not attach to the proceeds of the sale received by the Estate.**

**G. The Purchase Offer and Summary of the Sale Terms**



The Buyer offered to purchase the Jurupa Property for \$402,500. Attached as **Exhibit 3 to the Pringle Declaration annexed to the Sale Motion** is a true and correct copy of the Residential Purchase Agreement and Joint Escrow Instructions and related addendum (collectively the “Agreement”).

A summary of the Agreement’s terms and highlights are discussed below, but the summary and discussion are not meant to be a complete review of every provision of the Agreement. The Agreement itself is the legally binding document the Trustee seeks approval of and, in the event of any inconsistency between the terms, provisions or effect of the Agreement and the description of it in these pleadings, the Agreement alone shall govern and not these pleadings or the descriptions herein. In summary, the principal terms of the sale are as follows (the Trustee is referred to at times as the “Seller” in the following summary):

Buyer:	Shannon Savala and Yolanda Savala 11616 Homewood Place Fontana, CA 92337
Purchase Price:	\$402,500, subject to the Bid Procedures set forth below. \$ 12,075 deposit (3% of the purchase offer). Balance of purchase price paid at close of escrow.
Escrow Holder:	The escrow holder shall be A&A Escrow, Beverly Hills, CA
Escrow, Title and Other Costs:	Escrow company fees shall be allocated equally between Seller and Buyer. Real property taxes payable by the Seller shall be prorated to close of escrow based upon the latest tax information available.  No fees shall be paid and no costs shall be reimbursed unless and until ordered by the Bankruptcy Court. Any and all such fees and costs shall be the sole and exclusive liability of and claim against the Debtor’s Estate. The Trustee shall not have any personal liability on any account.
Disclosure or Warranty	As the Seller is a federal bankruptcy trustee, notwithstanding that the Agreement contains disclose or warranty provisions, there will be no warranties or disclosures made concerning the Property.

<p>1 “As-Is” Sale</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p>	<p>Buyer is purchasing the Property from the Seller “AS IS” without warranties of any kind, expressed or implied, being given by the Seller, concerning the condition of the property or the quality of the title thereto, or any other matters relating to the Property. Buyer represents and warrants that Buyer is purchasing the Property as a result of its own investigations and is not buying the Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Seller, except as expressly set forth in the Agreement. Buyer acknowledges that Buyer has inspected the Property, and upon closing of Escrow governed by this Agreement, Buyer forever waives, for itself, its heirs, successors and assigns, all claims against the Debtor, their attorneys, agents and employees, the Estate, John P. Pringle as Trustee and individually, and his attorneys, the law firm for which she is associated, his agents and employees, arising or which might otherwise arise in the future concerning the Property</p> <p>Because the sale of the Property is a bankruptcy sale, the sale shall be “as-is” and without any warranties (whatsoever), and any transfer shall be by the Bankruptcy Trustee’s Deed or Quitclaim deed at the Seller’s option.</p>
<p>10 Bankruptcy Court Approval</p> <p>11</p> <p>12</p>	<p>The Agreement is unenforceable and of no legal effect, unless and until approved by the Bankruptcy Court. Any and all sales of the Property are subject to overbid at the time of the hearing on the Sale Motion. If the Buyer is overbid at the auction for the Property in the Bankruptcy Court, the Buyer agrees to release the Seller from any and all obligations under the Agreement other than the return of any deposits made by the Buyer.</p>
<p>13 Real Estate Agent Commission</p> <p>14</p> <p>15</p>	<p>Through escrow on the sale of the Property, and subject to Court approval, the Trustee shall pay compensation for real estate agent services to the Buyer’s agent and the Estate’s agent. The agents shall equally split a commission in the amount of six percent of the final purchase price.</p>
<p>16 Jurisdiction of the Bankruptcy Court</p>	<p>Any and all disputes in connection with the Agreement are subject to the exclusive jurisdiction and venue of the United States Bankruptcy Court hearing in the Bankruptcy Case in Riverside, California.</p>
<p>17 Sale Subject to Overbidding</p> <p>18</p>	<p>The sale of the Property is subject to the Bid Procedures described below.</p>

## 19 **H. Bid Procedures**

20 The Trustee has determined that it would benefit the Estate to permit all interested parties

21 to receive information and bid for the Jurupa Property instead of selling the Jurupa Property to

22 the Buyer on an exclusive basis. Accordingly, in order to obtain the highest and best offer for

23 the benefit of the creditors of this Estate, the Trustee is utilizing and also seeks Court approval of

24 the following bid procedures (“Bid Procedures”):

25

26 1. Potential bidders must bid an initial amount of at least \$5,000 over the Purchase

27 Price, or \$407,500. Minimum bid increments thereafter shall be \$1,000. The Trustee shall have

28 sole discretion in determining which overbid is the best for the Estate and will seek approval from the Court of the same.

2. Bids must be in writing and be received by the Trustee and the Trustee's counsel, Shulman Hodges & Bastian LLP to the attention of Lynda T. Bui on or before **5:00 p.m. (California time) on June 15, 2016.**

3. Bids must be accompanied by certified funds in an amount equal to three percent of the overbid purchase price.

4. The bidder must also provide evidence of having sufficient specifically committed funds to complete the transaction or a lending commitment for the bid amount and such other documentation relevant to the bidder's ability to qualify as the purchaser of Property and ability to close the sale and immediately and unconditionally pay the winning bid purchase price at closing.

5. The bidder must seek to acquire the Jurupa Property on terms and conditions not less favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase the Jurupa Property as set forth in the Agreement with the Buyer including no contingencies and closing on the sale in the same time parameters as the Buyer.

6. All competing bids must acknowledge that the Jurupa Property is being sold on an "AS IS" basis without warranties of any kind, expressed or implied, being given by the Seller, concerning the condition of the Jurupa Property or the quality of the title thereto, or any other matters relating to the Jurupa Property. The competing bid buyer must represent and warrant that he/she is purchasing the Jurupa Property as a result of their own investigations and are not buying the Jurupa Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Seller. The competing bidder must acknowledge that he/she has inspected the Jurupa Property, and upon closing of Escrow governed by the Agreement, the Buyer forever waives, for himself/herself, their heirs, successors and assigns, all claims against the Debtors, their attorneys, agents and employees, the Debtor's Estate, John P. Pringle as Trustee and individually, and his attorneys, Shulman Hodges & Bastian LLP, his agents and employees, arising or which might otherwise arise in the future concerning the Jurupa Property.

7. If overbids are received, the final bidding round shall be held at the hearing on the Sale Motion (**June 21, 2016 at 11:00 a.m., California Time, at the U.S. Bankruptcy Court, Video Hearing Courtroom 126, 3420 Twelfth Street, Riverside, California 92501**), or if rescheduled, upon telephonic notice to the Buyer and the parties having submitted overbids in order to allow all potential bidders the opportunity to overbid and purchase the Jurupa Property. At the final bidding round, the Trustee or his counsel will, in the exercise of their business judgment and subject to Court approval, accept the bidder who has made the highest and best offer to purchase the Property, consistent with the Bid Procedures ("Successful Bidder").

8. At the hearing on the Sale Motion, the Trustee will seek entry of an order, *inter alia*, authorizing and approving the sale of the Jurupa Property to the Successful Bidder. The hearing on the Sale Motion may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the hearing on the Sale Motion.

9. In the event the Successful Bidder fails to close on the sale of the Jurupa Property within the time parameters approved by the Court, the Trustee shall retain the Successful Bidder's Deposit and will be released from his obligation to sell the Jurupa Property to the Successful Bidder and the Trustee may then sell the Jurupa Property to the First Back-Up Bidder approved by the Court.

10. In the event First Back-Up Bidder fails to close on the sale of the Jurupa Property within the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder's Deposit and will be released from his obligation to sell the Jurupa Property to the First Back-Up Bidder and the Trustee may then sell the Jurupa Property to the Second Back-Up Bidder approved by the Court.

**I. Notice Regarding the Bid Procedures**

The Trustee is proposing the sale of the Jurupa Property to be subject to the Bid Procedures discussed above. The Bid Procedures will be provided to all creditors and any potential bidders or parties who have shown an interest in the Jurupa Property. A Notice of Sale of Estate Property will be filed with the Court for posting on the Court's website under the link "Current Notices of Sales", thereby giving notice to additional potential interested parties.

The Broker will update the Multiple Listing Service to reflect the Bid Procedures above.

Based on the foregoing, the Trustee believes that under the circumstances of this case, the Jurupa Property will have been appropriately marketed for bidding.

**A. Costs of Sale**

Under the listing agreement approved by the Court, the Broker is entitled to a commission on the sale in the amount not to exceed six percent of the purchase price (a commission of \$24,150 based on the Buyer's offer of \$402,500), which will be split between the Trustee's Broker and the Buyer's real estate broker. Escrow fees shall be split between Buyer and Estate in the manner customary in Riverside County, California where the Property is located.

**J. Tax Consequences**

It anticipated that there will be no tax liability generated from the sale. The Trustee is informed and believes (which is supported by public records)<sup>6</sup> that the Jurupa Property was the Debtors' principal residence for periods aggregating two years or more during the five years prior to the Petition Date. As such, under Internal Revenue Code §121 (which provides for

<sup>6</sup> Assuming the documentary transfer tax listed on a Grant Deed of the Jurupa Property to Debtors in recorded in August 1995 is based on the full purchase price:

Documentary Transfer Tax listed on the Grant Deed	\$187.00
Divided by \$.55	\$340.00
Multiplied by \$500 = Purchase Price in 1995	\$170,000.00
Estimated Net Sale Proceeds	\$175,970.52
Less Estimated Original Purchase Price	\$5,970.52
Basis for Capital Gains	\$.00
15% Tax	\$.00

1 exclusion of a gain from sale of a principal residence), the amount of any gain on the sale of the  
2 Jurupa Property will be excluded from taxable income up to at least \$250,000 (or possibly up to  
3 \$500,000). As such, the Trustee believes there will be no tax liability from the sale.

4 **K. The Sale Will Be Free and Clear of Liens**

5 The Jurupa Property will be sold free and clear of all liens and encumbrances. The  
6 Jurupa Property shall be delivered to the Buyer free and clear of all liens and encumbrances  
7 except for those approved by the Buyer. Except for the liens in favor of the Department of Child  
8 Support Services, out of an abundance of caution, any liens and interests against the Jurupa  
9 Property that are not resolved through either (1) the Court order approving the sale, or (2)  
10 through escrow, shall attach to the sale proceeds with the same force, effect, validity, and priority  
11 as such liens or interests had with respect to the Jurupa Property prior to the sale. **The liens filed  
12 by Department of Child Support Services will not attach to the sale proceeds received by  
13 the Estate.**

14 **III. ARGUMENT**

15 **A. The Court May Authorize the Sale When There is a Good Faith Purchaser**

16 The Trustee may sell property of the estate. 11 U.S.C. § 363(b). The standards to  
17 establish are that there is a sound business purpose for the sale, that the sale is in the best  
18 interests of the estate, i.e., the sale is for a fair and reasonable price, that there is accurate and  
19 reasonable notice to creditors and that the sale is made in good faith. *In re Wilde Horse*  
20 *Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063,  
21 1069 (2d Cir. 1983). Business justification would include the need to close a sale to one of very  
22 few serious bidders where an asset has been shopped and a delay could jeopardize the  
23 transaction. *See, e.g., In re Crowthers McCall Pattner, Inc.*, 114 B.R. 877, 885 (Bankr. S.D.N.Y.  
24 1990) (extreme difficulty finding a buyer justified merger when buyer found). The Trustee's  
25 proposed sale meets the foregoing criteria.

26 **1. Sound Business Purpose**

27 The Ninth Circuit has adopted a flexible, case-by-case test to determine whether the  
28 business purpose for a proposed sale justifies disposition of property of the estate under Section

363(b). *In re Walter*, 83 B.R. 14 (B.A.P. 9th Cir. 1988). In *Walter*, the Ninth Circuit, adopting the reasoning of the Fifth Circuit in *In re Continental Air Lines, Inc.*, 780 F.2d 1223 (5th Cir. 1986), and the Second Circuit in *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983), set forth the following standard to be applied under Bankruptcy Code Section 363(b):

Whether the proffered business justification is sufficient depends on the case. As the Second Circuit held in *Lionel*, the bankruptcy judge should consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and equity holders, alike. He might, for example, look to such relevant factors as the proportionate value of the assets to the estate as a whole, the amount of lapsed time since the filing, the likelihood that a plan of reorganization will be proposed and confirmed in the near future, the effect of the proposed disposition on future plans of reorganization, the proceeds to be obtained from the disposition vis-a-vis any appraisals of the property, which of the alternatives of use, sale or lease the proposal envisions and, most importantly perhaps, whether the asset is increasingly or decreasing in value. This list is not intended to be exclusive, but merely to provide guidance to the bankruptcy judge.

*Walter*, 83 B.R. at 19-20 (quoting *Continental*, 780 F.2d at 1226).

Here, the facts surrounding the sale support the Trustee's business decision that the proposed sale is in the best interests of the Estate and its creditors. Through the sale, the Trustee expects to generate net proceeds of approximately \$75,970.52 calculated as follows (amounts are estimates):

Sale Price	\$402,500.00
Less, real estate commission and other estimated costs of sale	(\$26,008.06)
Less, property taxes (pro-rata) (estimated)	(\$1,011.74)
Less, payoff to the first trust deed holder (estimated)	(\$136,380.11)
Less, payoff to the second trust deed holder (estimated)	(\$63,129.57)
<b>Estimated net sale proceeds</b>	<b>\$175,970.52</b>
<b>Less, payment of the Debtors' exemption claim (with each Debtor receiving \$50,000.00)</b>	<b>(\$100,000.00)</b>
<b>Estimated net sale proceeds for the benefit of the Estate which will increase if there are successful overbids</b>	<b>\$75,970.52</b>

The estimated net proceeds will benefit the Estate by providing funds for distribution to unsecured creditors. If the Sale Motion is not approved, then there will be a substantial loss to the Estate. In such event, the Estate will not receive any benefit from the Jurupa Property.

1 Furthermore, the Trustee believes that the proposed sale will be at fair market value  
2 because it is the best offer the Estate has received thus far for the Jurupa Property, and the sale is  
3 subject to the Bid Procedures. Accordingly, the Trustee respectfully submits that, if this Court  
4 applies the good business reason standard suggested by the Second Circuit in *Lionel*, the sale  
5 should be approved.

6 2. The Sale Serves the Best Interests of the Estate and Creditors

7 The Trustee believes that it would be in the best interest of the Estate and its creditors to  
8 sell the Jurupa Property. The benefits to the Estate, as set forth above, are tremendous due to the  
9 funds to be generated from the sale that will be used to pay a substantial distribution to  
10 unsecured claims. If the Sale Motion is not approved, the Estate will not receive the sale  
11 proceeds and will likely lose the Buyer. The Trustee does not want to lose this beneficial  
12 business opportunity. Thus, the Trustee has made a business decision that it is in the best interest  
13 of the creditors of the Estate that this Sale Motion be approved.

14 3. Accurate and Reasonable Notice

15 It is expected that notice of this Sale Motion will satisfy the requirements for accurate  
16 and reasonable notice.

17 The notice requirements for sales are set forth in Federal Rules of Bankruptcy Procedure  
18 (“FRBP”) 6004 and 2002. The notice must include the time and place of any public sale and/or  
19 the terms and conditions of any private sale, the time fixed for filing on objections and a general  
20 description of the property. Fed. R. Bankr. P. 2002(c)(1).

21 In compliance with FRBP 2002 and Bankruptcy Code Section 102(1), the Trustee shall  
22 provide notice of the proposed sale to creditors and parties in interest. The Notice of Sale  
23 Motion will include a summary of the terms and conditions of the proposed private sale, the time  
24 fixed for filing objections, and a general description of the Jurupa Property. The Trustee submits  
25 that the notice requirements will have been satisfied, thereby allowing creditors and parties in  
26 interest an opportunity to object to the sale. Hence, no further notice should be necessary.

4. The Sale is Made in Good Faith

The proposed sale has been brought in good faith and has been negotiated on an “arm’s length” basis. The court in *Wilde Horse Enterprises* set forth the factors in considering whether a transaction is in good faith. The court stated:

“Good faith” encompasses fair value, and further speaks to the integrity of the transaction. Typical ‘bad faith’ or misconduct, would include collusion between the seller and buyer, or any attempt to take unfair advantage of other potential purchasers. . . . And, with respect to making such determinations, the court and creditors must be provided with sufficient information to allow them to take a position on the proposed sale.

*Id.* at 842 (citations omitted).

In the present case, the negotiation of the proposed sale was an arms-length transaction. The sale price is the highest and best, which will have substantially benefit to the Estate, allowing the Trustee to fully fund the Estate. As set forth in the Notice of the Sale Motion, the creditors will have been provided with sufficient notice of the sale. Additionally, the Buyer will provide declarations in support of the Sale Motion confirming their status as good faith buyers pursuant to Section 363(m) of the Bankruptcy Code. Therefore, the sale is in good faith and should be approved. Accordingly, the Trustee requests such a finding pursuant to Bankruptcy Code Section 363(m).

**B. The Proposed Sale Should be Allowed Free and Clear of Liens**

Bankruptcy Code Section 363(f) allows a trustee to sell property of the bankruptcy estate “free and clear of any interest in such property of an entity,” if any one of the following five conditions is met:

(1) applicable non-bankruptcy law permits a sale of such property free and clear of such interest;

(2) such entity consents;

(3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;

(4) such interest is in bona fide dispute; or

(5) such entity could be compelled, in a legal or equitable proceeding, to accept money satisfaction of such interest.

11 U.S.C. § 363(f).



1 Section 363(f) is written in the disjunctive and thus only one of the enumerated  
2 conditions needs to be satisfied for Court approval to be appropriate. The Trustee here proposes  
3 to sell under section 363(f)(3) and alternatively, under 363(f)(4).

4 1. Section 363(f)(2) (Consent) and Section 363(f)(3)

5 The sale of the Jurupa Property is proper pursuant to Sections 363(f)(2) and 363(f)(3).  
6 The sale price is for a sum that is greater than the aggregate value of the non-disputed liens  
7 which show as attached to the Jurupa Property pursuant to the preliminary title report (non-  
8 disputed liens include the real property taxes and the liens of lenders holding the first and second  
9 priority deeds of trust). The non-disputed liens will be paid in amounts as required by the  
10 lienholders.

11 The lien(s) of the Department of Child Support Services will not be paid through the sale,  
12 will not attach to the Jurupa Property and will not attach to the proceeds of the sale received by  
13 the Estate. The Trustee believes that the Department of Child Support Services will have no  
14 objection to the sale of the Jurupa Property free and clear of the two Abstracts of Judgment listed  
15 in the preliminary title report.

16 2. Section 363(f)(4) – Bona Fide Dispute

17 A bona fide dispute has been defined by *In re Atwood*, 124 B.R. 402 (Bankr. S.D. Ga.  
18 1991) as a “genuine issue of material fact that bears upon the debtor’s liability, or meritorious  
19 contention as to the application of law to undisputed facts.” *Id.* at 407. In *In re Milford Group*,  
20 *Inc.*, 150 B.R. 904 (Bankr. M.D. Pa. 1992), the court stated it need not resolve a bona fide  
21 dispute, but must determine whether the issues presented are genuine as to the existence of a  
22 bona fide dispute. In doing so, the *Milford* Court found that the debtor had met its burden to  
23 establish cause for the Court to allow for the sale of the property, free and clear of liens.

24 In this case, except for the liens in favor of the Department of Child Support Services, out  
25 of an abundance of caution, any liens and interests against the Jurupa Property that are not  
26 resolved through either (1) the Court order approving the sale, or (2) through escrow, will be  
27 disputed by the Trustee and shall attach to the sale proceeds with the same force, effect, validity,  
28 and priority as such liens or interests had with respect to the Jurupa Property prior to the sale.

**The liens filed by the Department of Child Support Services will not attach to the sale proceeds received by the Estate.**

The policy behind allowing assets to be sold free and clear of disputed interests provides that the disputes do not bog down the swift and orderly liquidation of bankruptcy estate assets for the highest possible value. In this case, more than any other, where the Estate has received an all cash buyer, delaying the sale pending resolution of secured claim disputes would be detrimental. It is absolutely essential for the Trustee to be able to quickly liquidate the Jurupa Property for its maximum possible value. Section 363(f) allows the Jurupa Property to be sold free and clear of any lien that is subject to a dispute so that at a minimum, proceeds can be generated for distribution to parties. If every sale were subject to resolution of disputes that were in existence, expense and time associated with litigation would significantly impact values that could be obtained by trustees and/or other estate fiduciaries for the benefit of creditors. Resolution of the issues with regard to the claims of the holders of disputed liens and encumbrances may likely take substantial time, effort and expense by the parties. That process should not hinder, delay or in any way inhibit the Trustee's efforts to maximize the value of the sale of Jurupa Property.

By selling the Jurupa Property as soon as possible, the Trustee will also avoid losing the current Buyer and having to expend time and costs to find another buyer, if one can be found in the current real estate market. Further, the Trustee desires to sell the Jurupa Property quickly in order stop administrative costs associated with the Jurupa Property and delays that could result from having to first resolve any disputes related to secured claims that may negatively impact the benefits of the sale. Thus, approval for the sale free and clear of disputed liens and encumbrances, if any, pursuant to Bankruptcy Code Sections 363(f)(4) in the manner provided herein is appropriate.

**C. The Court as the Authority to Approve the Bid Procedures**

Implementing the Bid Procedures is an action outside of the ordinary course of the business. Bankruptcy Code Section 363(b)(1) provides that a trustee "after notice and hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a), "[t]he court may issue

any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Thus, pursuant to Bankruptcy Code sections 363(b)(1) and 105(a), this Court may approve the Bid Procedures, which assist the Trustee to obtain the best possible price on the best possible terms for the Jurupa Property.

**D. The Court has the Authority to Waive the Fourteen-Day Stay of Sale**

Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the Court orders otherwise.” Fed. Rule Bankr. P. 6004(h).

The Trustee desires to close the sale as soon as practicable after entry of an order approving the sale. Accordingly, the Trustee requests that the Court, in the discretion provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen-day stay requirement.

**E. Request for Payment of Real Estate Commission**

Bankruptcy Code Section 327 allows, with court approval, for the trustee to employ professional persons, “that do not hold or represent an interest adverse to the estate, and that are disinterested persons.” 11 U.S.C. § 327(a). By an Order entered on July 20, 2015 (docket 61), the Trustee was authorized to employ the Broker to assist the Trustee in the marketing and sale of the Jurupa Property.

Bankruptcy Code Section 328 allows employment of a professional person under section 327 “on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a) (emphasis added). Through this Sale Motion, as provided in the Agreement, the Trustee seeks authorization to pay a real estate broker commission in the amount of six percent of the purchase price. Through escrow on the sale, and subject to Bankruptcy Court approval, the Trustee shall pay a real estate broker’s commission as follows:

<u>Broker</u>	<u>Commission</u>
Trustee’s Broker: Jan Neiman of Neiman Realty	\$12,075.00
Buyer’s Broker: Jamella Santos of Fair Solutions	\$12,075.00
Total Commission:	\$24,150.00

IV. CONCLUSION

**WHEREFORE**, based upon the foregoing, the Trustee respectfully submits that good cause exists for granting the Sale Motion and requests that the Court enter an order as follows:

1. Authorizing the Trustee to sell the Jurupa Property to the Buyer pursuant to the terms and conditions as set forth in the Agreement attached as **Exhibit 3 to the Pringle Declaration annexed to the Sale Motion**.

2. Authorizing the sale of the Jurupa Property free and clear of liens with liens not satisfied through the sale to attach to the sale proceeds in the same validity and priority as prior to the closing of the sale.

3. Authorizing the Trustee to sign any and all documents convenient and necessary in pursuit of the sale as set forth above, including but not limited to any and all conveyances contemplated by the Agreement attached as **Exhibit 3 to the Pringle Declaration annexed to the Sale Motion**.

4. Approving the payment of the real estate commission in the total amount not to exceed six percent of the final purchase price.

5. Authorizing the Trustee to pay the following from the proceeds of the sale of the Jurupa Property through escrow:

a. All real estate taxes owed to the Riverside County Tax Collector.

b. All amounts owed to PNC Bank, or the current beneficiary of the two deeds of trust impacting the Jurupa Property as identified in the preliminary title report attached as **Exhibit 1 to the Pringle Declaration annexed to the Sale Motion**.

6. A determination by the Court that the Buyer is in good faith pursuant to Bankruptcy Code Section 363(m).

7. Waiving the fourteen day stay of the order approving the sale of the Jurupa Property under Federal Rules of Bankruptcy Procedure 6004(h).

8. Provided that the Estate receives sufficient funds upon closing of the sale,

1 authorizing the Trustee to pay the Debtors' claim of exemption in the Jurupa Property in the  
2 amount of up to \$100,000.00 as allowed under the Exemption Claim Order (docket 111).

3 9. For such other and further relief as the Court deems just and proper under the  
4 circumstances of this case.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: **100 Spectrum Center Drive, Suite 600, Irvine, California 92618**

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **May 20, 2016**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below: **Stephanie Castro** [scastro@cavps.com](mailto:scastro@cavps.com) *NEF for Interested Party*

- **Elyza P Eshaghi** [eeshaghi@shbllp.com](mailto:eeshaghi@shbllp.com), [avernon@shbllp.com](mailto:avernon@shbllp.com) *Attorney for Chapter 7 Trustee*
- **John P Pringle (TR)** [brenfro@rpmlaw.com](mailto:brenfro@rpmlaw.com), [jpp@trustesolutions.net](mailto:jpp@trustesolutions.net) *Chapter 7 Trustee*
- **Joseph M Raymond** [MBX\\_ILMS\\_Bankruptcy@MCMCG.com](mailto:MBX_ILMS_Bankruptcy@MCMCG.com) *NEF for Interested Party*
- **Leonard M Shulman** [lshulman@shbllp.com](mailto:lshulman@shbllp.com) *Attorney for Chapter 7 Trustee*
- **United States Trustee (RS)** [ustpregion16.rs.ecf@usdoj.gov](mailto:ustpregion16.rs.ecf@usdoj.gov) *United States Trustee*
- **Qais Zafari** [qzafari@hotmail.com](mailto:qzafari@hotmail.com), [VLOPEZ.LAWOFFICE@GMAIL.COM](mailto:VLOPEZ.LAWOFFICE@GMAIL.COM) *Attorney for the Debtors*
- **Robert P Zahradka** [ecfcacb@aldridgepите.com](mailto:ecfcacb@aldridgepите.com), [RPZ@ecf.inforuptcy.com](mailto:RPZ@ecf.inforuptcy.com), [rzahradka@aldridgepите.com](mailto:rzahradka@aldridgepите.com) *NEF for Interested Party*

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) **May 20, 2016**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **Not Applicable**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

**May 20, 2016**  
*Date*

**Lorre Clapp**  
*Printed Name*

**/s/ Lorre Clapp**  
*Signature*

**U.S. MAIL SERVICE LIST**

**Judge's Copy**

Honorable Scott C. Clarkson  
US Bankruptcy Court  
411 W Fourth St, Suite 5130  
Santa Ana, CA 92701

**Buyer**

Shannon Savala and Yolanda Savala  
11616 Homewood Place  
Fontana, CA 92337

**Buyer's Agent/Broker**

Fair Solutions  
Jamella Santos  
3100 E Cedar Ste 11  
Ontario, CA 91761

**Trustee's Agent/Broker**

Jan Neiman  
Neiman Realty  
14205 Collins St  
Van Nuys, CA 91401

**Lien Holder – PNC Bank**

PNC Bank, National Association  
Attn Regina Parks, Account Specialist  
PO Box 5570  
Cleveland, OH 44101-0570

**Lien Holder – County of Riverside (Real Property Taxes)**

Riverside County Treasurer and Tax Collector  
4080 Lemon Street  
P O Box 12005  
Riverside, CA 92502-2205

**Lien Holder –Department of Child Support Services**

Department of Child Services  
c/o Steven Eldred Lead Attorney  
Orange County Department of Child Support Services  
1055 N Main St  
Santa Ana CA 92701-3639

Department of Child Services  
John Replogle, Director  
Riverside County Department of Child Support Services  
2041 Iowa Avenue  
Riverside, CA 92507

**CONTINUED ON THE FOLLOWING PAGE.**

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**U.S. MAIL SERVICE LIST CONTINUED.**

**DEBTOR**

JOSE LUIS AND ELVIRA CARBAJAL  
5815 CROWN DRIVE  
JURUPA VALLEY, CA 91752-3035

**NEF - INTERESTED PARTY**

UNITED STATES TRUSTEE (RS)  
3801 UNIVERSITY AVENUE, SUITE 720  
RIVERSIDE, CA 92501-3255

**CREDITOR LISTING**

EMPLOYMENT DEVELOPMENT DEPT.  
BANKRUPTCY GROUP MIC 92E  
PO BOX 826880  
SACRAMENTO, CA 94280-0001

**CREDITOR LISTING**

FRANCHISE TAX BOARD  
BANKRUPTCY SECTION MS: A-340  
PO BOX 2952  
SACRAMENTO, CA 95812-2952

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ACCOUNTS RECEIVABLE MANAGEMENT  
INC  
PO BOX 129  
THOROFARE, NJ 08086-0129

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ACUTE CARE MEDICAL COASTAL  
PO BOX 20020  
FOUNTAIN VALLEY, CA 92728-0020

**CREDITOR LISTING**

AFNI INC  
1310 MARTIN LUTHER KING DRIVE  
PO BOX 3427  
BLOOMINGTON, IL 61702-3427

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AMERICAN MEDICAL RESPONSE  
PO BOX 30410  
LOS ANGELES, CA 90030-0410

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ASSET ACCEPTANCE LLC  
PO BOX 129  
LINDEN, MI 48451-0129

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CA EMER PHYS CORONA REGIONAL  
PO BOX 582663  
MODESTO, CA 95358-0070

**PROOF OF CLAIM ADDRESS**

CAVALRY SPV II, LLC AS ASSIGNEE OF GE  
MONEY BANK/THE GAP  
500 SUMMIT LAKE DRIVE, SUITE 400  
VALHALLA, NY 10595

**CREDITOR LISTING**

CMRE FINANCIAL SERVICES, INC.  
3075 IMPERIAL HIGHWAY #200  
BREA, CA 92821-6753

**CREDITOR LISTING**

CHARTER COMMUNICATIONS  
12405 POWERSCOURT DRIVE  
ST. LOUIS, MO 63131-3674

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CHASE VISA  
PO BOX 15548  
WILMINGTON, DE 19886-5548

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CHINO EMERGENCY MEDICAL  
ASSOCIATION  
PO BOX 60038  
ARCADIA, CA 91066-6038

**CREDITOR LISTING**

CHINO VALLEY MEDICAL CENTER  
5451 WALNUT AVENUE  
CHINO, CALIFORNIA 91710-2672

**CREDITOR LISTING**

COASTAL COMMUNITIES HOSPITAL  
DEPT. 6745  
LOS ANGELES, CA 90084-6745

**SCHEDULE F CREDITOR**

COASTAL COMMUNITY MEDICAL CENTER  
2701 S BRISTOL ST  
SANTA ANA, CA 92704

**CREDITOR LISTING**

COLLECTION BUREAU OF AMERICA  
PO BOX 5013  
HAYWARD, CA 94540-5013

**CREDITOR LISTING**

CORONA REGIONAL MEDICAL CENTER  
PO BOX 31001-0827  
PASADENA, CA 91110-0001

**CREDITOR LISTING**

DISNEY REWARDS VISA CARD FROM CHASE  
PO BOX 94014  
PALATINE, IL 60094-4014

**CREDITOR LISTING**

ENHANCED RECOVERY COMPANY LLC  
PO BOX 1259, DEPT. 98696  
OAKS, PA 19456-1259

**SCHEDULE F CREDITOR**

EOS CCA VERIZON  
700 LONGWATER DR  
NORWELL, MA 02061

**CREDITOR LISTING**

FMS INC  
PO BOX 707601  
TUSLA, OK 74170-7601



**CREDITOR LISTING**

FINANCIAL CORPORATION OF AMERICA  
PO BOX 203600  
AUSTIN, TX 78720-3600

**SCHEDULE F CREDITOR**

GE MONEY BANK/GAP  
PO BOX 530942  
ATLANTA, GA 30353-0942

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GE MONEY BANK/MERVYNS  
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ATLANTA, GA 30353-0942

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PO BOX 790034  
ST LOUIS MO 63179-0034

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JC PENNY CONSUMER  
PROFESSIONAL BUREAU OF  
COLLECTIONS  
PO BOX 628  
ELK GROVE, CA 95759-0628

**CREDITOR LISTING**

LEADING EDGE RECOVERY SOLUTIONS LLC  
PO BOX 129  
LINDEN, MI 48451-0129

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LTD FINANCIAL SERVICES LP  
7322 SOUTHWEST FREEWAY, SUITE 1600  
HOUSTON, TX 77074-2134

**CREDITOR LISTING - USPS CHANGE**

MERVYNS  
CAC FINANCIAL CORP  
2601 NW EXPRESSWAY STE 1000E  
OKLAHOMA CITY OK 73112-7236

**CREDITOR LISTING**

MIDLAND CREDIT MANAGEMENT INC  
8875 AERO DRIVE, SUITE 200  
SAN DIEGO, CA 92123-2255

**PROOF OF CLAIM ADDRESS**

MIDLAND FUNDING LLC  
C/O MIDLAND CREDIT MANAGEMENT INC  
PO BOX 2011  
WARREN, MI 48090

**CREDITOR LISTING**

MONARCH RECOVERY MANAGEMENT  
INC  
10965 DECATUR ROAD  
PHILADELPHIA, PA 19154-3210

**CREDITOR LISTING**

NCO FINANCIAL SYSTEMS INC  
PO BOX 15630  
DEPT. 72  
WILMINGTON, CE 19850-5630

**CREDITOR LISTING**

NATIONAL CITY MORTGAGE  
PO BOX 54828  
LOS ANGELES, CA 90054-0828

**CREDITOR LISTING**

OMNI CREDIT SERVICES  
PO BOX 23381  
TAMPA, FL 33623-3381

**CREDITOR LISTING**

PNC BANK  
PO BOX 5570  
BRECKSVILLE, OH 44101-0570

**CREDITOR LISTING**

PORTFOLIO RECOVERY ASSOCIATES  
LLC/GE MONEY B  
120 CORPORATE BOULEVARD  
NORFOLK, VA 23502-4962

**CREDITOR LISTING**

SENTRY CREDIT INC  
PO BOX 12070  
EVERETT, WA 98206-2070

**CREDITOR LISTING**

STANISLAUS CREDIT CONTROL SERVICE  
INC  
914 14TH STREET  
PO BOX 480  
MODESTO, CA 95353-0480

**CREDITOR LISTING**

SUPERIOR COURT OF CALIFORNIA COUNTY  
OF RIVER  
CORONA PROCESSING CENTER  
505 S. BUENA VISTA, RM 201  
CORONA, CA 92882-1901

**CREDITOR LISTING**

THE ALBERTS FIRM  
ATTORNEYS AT LAW  
1600 N. BROADWAY, FLOOR 10  
SANTA ANA, CA 92706-3914

**CREDITOR LISTING**

UNITED RECOVERY SYSTEMS  
PO BOX 722929  
HOUSTON, TX 77272-2929

**CREDITOR LISTING**

RETURNED MAIL

**CORRECT TO REMOVE TARGET  
CREDITOR LISTING**

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF RIVER  
CORONA PROCESSING CENTER  
505 S. BUENA VISTA, RM 201  
CORONA, CA 92882-1901  
TARGET NATIONAL BANK

**1/8/15; NEW ADDRESS  
CREDITOR LISTING**

THE ALBERTS FIRM  
ATTORNEYS AT LAW  
125 W. AMERIGE AVENUE.  
FULLERTON, CA 92832-1835

**1/8/15; RETURNED; NOT DELIVERABLE AS  
ADDRESSED; UNABLE TO FORWARD  
CREDITOR LISTING**

EXECUTIVE TRUSTEE SERVICES LLC  
2255 NORTH ONTARIO STREET, SUITE 400  
BURBANK, CA 91504-3190

**1/14/15; RETURNED; NOT  
DELIVERABLE AS ADDRESSED;  
UNABLE TO FORWARD  
NEF - ATTORNEY FOR DEBTOR**

EDWARD A GRAHAM JR  
531 EAST CHAPMAN AVE STE E  
ORANGE, CA 92866-1647

**1/20/15; RETURNED; NOT DELIVERABLE AS  
ADDRESSED; UNABLE TO FORWARD  
SCHEDULE F CREDITOR**

RGS FINANCIAL - BRIGHT NOW!  
6757 ARAPAHO RD STE 777  
DALLAS, TX 75248

**1/26/15; RETURNED; NOT DELIVERABLE AS  
ADDRESSED; UNABLE TO FORWARD  
CREDITOR LISTING**

JPMORGAN CHASE BANK NA  
PO BOX 660022  
DALLAS, TX 75266

**1/26/15; RETURNED; NOT  
DELIVERABLE AS ADDRESSED;  
UNABLE TO FORWARD  
CREDITOR LISTING**

APEX FINANCIAL MANAGEMENT LLC  
1120 W LAKE COOK ROAD, SUITE A  
BUFFALO GROVE, IL 60089-1970

**1/30/15; RETURNED; BOX CLOSED;  
UNABLE TO FORWARD  
CREDITOR LISTING**

NATIONAL ACTION FINANCIAL SERVICES  
PO BOX 9027  
WILLIAMSVILLE NY 14231

**2/3/15; RETURNED; NOT DELIVERABLE AS  
ADDRESSED; UNABLE TO FORWARD  
CREDITOR LISTING**

CREDITORS INTERCHANGE  
PO BOX 1335  
BUFFALO, NY 14240-1335

**2/3/15; RETURNED; NOT DELIVERABLE  
AS ADDRESSED; UNABLE TO  
FORWARD  
CREDITOR LISTING**

FIRSTSOURCE ADVANTAGE LLC  
PO BOX 628  
BUFFALO, NY 14240-0628

**7/8/15; RETURNED; BOX CLOSED; UNABLE  
TO FORWARD  
CREDITOR LISTING**

CREDITORS FINANCIAL GROUP LLC  
PO BOX 440290  
AURORA, CO 80044-1500

**7/2/15; ATTEMPTED, NOT KNOWN;  
UNABLE TO FORWARD  
CREDITOR LISTING**

PROGRESSIVE FINANCIAL SERVICES INC  
PO BOX 41309  
NASHVILLE, TN 37204-1309

**7/13/15 ATTEMPTED NOT KNOWN -  
UNABLE TO FORWARD  
CREDITOR LISTING**

ALLIED INTERSTATE  
PO BOX 1962  
SOUTHGATE, MI 48195-0962

**7/13/15 ATTEMPTED NOT KNOWN -  
UNABLE TO FORWARD  
CREDITOR LISTING**

CBE GROUP  
PO BOX 2695  
WATERLOO, IA 50704-2695

**9/8/15 SUB ATTY - SEE NEW COUNSEL INFO  
ABOVE  
NEF - ATTORNEY FOR DEBTOR**

EDWARD A. GRAHAM, JR.  
ATTORNEY AT LAW  
528 NORTH GLASSELL STREET  
ORANGE, CA 92867-6748